From: Morning Energy [morningenergy@politico.com]

Sent: 4/27/2018 2:17:06 PM

To: Feeley, Drew (Robert) [/o=ExchangeLabs/ou=Exchange Administrative Group

(FYDIBOHF23SPDLT)/cn=Recipients/cn=abae82aa36da4d3383eae19a8efa683c-Feeley, Rob]

Subject: POLITICO's Morning Energy: Did Pruitt skate by? — EPA prepping Oversight docs — McConnell tries for West Virginia

redemption

By Kelsey Tamborrino | 04/27/2018 10:01 AM EDT

With help from Anthony Adragna

DID PRUITT SKATE BY? EPA Administrator Scott Pruitt had a simple task Thursday: Keep his conservative backers happy - and in turn, keep the president happy. And he may have managed to do just that. While Democrats and environmentalists panned Pruitt's performance, the EPA chief, who is facing a heavy stack of ethical and spending quandaries, left most Republicans pleased enough with his performance that he's probably salvaged his job for now.

But of course, President Donald Trump has yet to weigh in on Pruitt's performance. And on a day that saw Trump's nominee for Veterans Affiars withdraw, triggering a long Trump rant on "Fox & Friends," that could be good news for the EPA chief, POLITICO's Nancy Cook reports. "As long as [Pruitt's] explanations hold and there are no crazy discrepancies or smoking gun or anything like that, I don't think that creates any red flags for Pruitt," said one Republican close to the White House, who predicted Pruitt would survive the scrutiny.

Still, Pruitt's shifting answers about what he knew about controversial raises for two close aides raised a lot of concerns that he hadn't been completely forthright during his interview with Fox News earlier this month. Under lawmakers' questioning, he acknowledged that he had authorized his chief of staff to award pay increases to his aides - but said he did not know how high they would be or that they would circumvent the White House's disapproval. That's different than what he told Fox's Ed Henry when he said he hadn't known about the raises until after the fact and that he did not know who authorized them.

Pruitt used the two hearings to blame his torrent of scandals on career staff, as POLITICO's Anthony Adragna, Annie Snider and Alex Guillén <u>reported</u>, while maintaining the headlines surrounding him aren't painting an accurate picture. "Let me be very clear: I have nothing to hide as its relates to how I've run the agency for the past 16 months," Pruitt said. (In case you missed it, POLITICO's Energy team has the full recap of the key moments <u>here</u>.)

But all in all, his critical audience of House Republicans exited two separate hearings Thursday believing that Pruitt fared well. "I found his responses credible," said Rep. Mike Simpson, a House appropriator. Meanwhile, Rep. Ken Calvert, the chairman of the House Appropriations Interior-Environment subcommittee, said Pruitt did "fine." "He answered our questions," he said. "... He's doing well, he's very professional, he's doing his job." And Illinois' John Shimkus, who chaired Pruitt's first hearing, said he thought Pruitt handled himself well and that Republican members were tough in their questions, Anthony recaps. "Some of it was accountability for policy, so I don't know what more [critics] want," Shimkus said. "I think that he answered the questions in the best way that he could answer them."

Of course, Pruitt's performance did not please everyone. "I think the opprobrium that you've generated on some of these spending decisions is actually warranted," GOP Rep. Ryan Costello, who is retiring from Congress, told Pruitt. Ana Unruh Cohen, managing director of government affairs at the Natural Resources Defense Council said the EPA administrator "demonstrated beyond any doubt that he is unqualified" to lead his

agency. "He should be fired before sundown," she said. And Rep. Marcy Kaptur, a Democratic member of the Appropriations subcommittee that questioned Pruitt, used the term "evasive" to describe the performance. "For someone who has been in the job a year and a half, he didn't seem to command a lot of the details," she said. "... I don't think we know the full extent of what he's done yet."

WHAT COMES NEXT? Keep in mind: Pruitt's under multiple investigations that have yet to fully play out. "We have a committee that's looking into these charges and we'll have a resolution," Calvert said of Pruitt's ongoing scandals. "We'll see what comes of it." Today, for one, marks the deadline set by House Oversight Chairman Trey Gowdy in his expanded probe into the embattled EPA chief's activities. He's called for a host of documents to be delivered and interviews to be scheduled by today. An EPA official said the agency is currently in the process of providing the documents, Anthony reports. The official said the documents will respond to the allegations of lavish spending and unethical conduct and may negate the need for several aides to appear for interviews.

WELCOME TO FRIDAY! I'm your host Kelsey Tamborrino, and no one guessed Alabama - the home state of the first officially designated Democratic floor leader, Oscar Underwood. For today: Name the only senator to be preceded by both of his or her parents. Send your tips, energy gossip and comments to ktamborrino@politico.com, or follow us on Twitter @kelseytam, @Morning Energy and @POLITICOPro.

POLITICO's Ben White is bringing Morning Money to the Milken Institute Global Conference to provide coverage of the day's events and evening happenings. The newsletter will run April 29 - May 2. <u>Sign up</u> to keep up with your daily conference coverage.

PRUITT RAISES UNDONE AFTER FOX INTERVIEW: Amid the deluge of news coming out of the hearings, Pro's Emily Holden and Nick Juliano reported via <u>documents</u> released by EPA that the agency reversed raises for the two top aides to Pruitt the day after his interview with Fox News. Pruitt <u>told Fox</u> he had "corrected them" after finding out about them. A day later, on April 5, Pruitt's chief of staff Ryan Jackson signed personnel forms reverting the aides to their previous pay grades, according to copies of the forms reviewed by POLITICO. Read more <u>here</u>.

McCONNELL'S WEST VIRGINIA REDEMPTION: Amid an increasingly tense GOP primary battle for Democratic Sen. Joe Manchin's seat, coal baron Don Blankenship has focused his efforts into a relentless slash-and-burn campaign targeting Majority Leader Mitch McConnell. Blankenship - who spent a year in prison following the deadly 2010 Upper Big Branch mine disaster - compared his current battle against the McConnell-led Republican establishment to his past legal fight against the federal government, POLITICO's Alex Isenstadt writes. But as the May 8 primary inches closer, McConnell is fighting back with an avalanche of attacks from a super PAC aligned with the Senate leader, among other efforts.

Blankenship's attacks have grown intensely personal. During an interview with POLITICO, Blankenship said that McConnell "has a lot of connections in China," adding that the GOP leader's wife is Transportation Secretary Elaine Chao. And during an <u>appearance</u> on a local radio show, Blankenship described Chao's father as a "wealthy Chinaperson," who was "well-connected in China." Read <u>more</u>.

DOE TO ANNOUNCE FUNDS FOR ADVANCED NUCLEAR: Energy Secretary Rick Perry will announce today the selection of 13 projects that will receive about \$60 million in funding to support cost-shared research and development in advanced nuclear technologies. The selections - broken down into categories pertaining to nuclear demonstration readiness, advanced reactor development, and regulatory assistance grants - are the first under the Office of Nuclear Energy's "U.S. Industry Opportunities for Advanced Nuclear Technology Development" funding opportunity announcement. "Making these new investments is an important step to reviving and revitalizing nuclear energy, and ensuring that our nation continues to benefit from this clean, reliable, resilient source of electricity," Perry said in a statement.

ALL IN THE TIMING: The Office of Management and Budget completed its review of EPA's proposed "secret science" rule Wednesday, E&E News' Sean Reilly reports, even though Pruitt had already signed it by then. The policy that bars the agency from relying on studies that don't publicly disclose all their data got Pruitt's signature on Tuesday, but the Reginfo.gov site showed the review completion date as Wednesday. "While OMB is sometimes slow to update the site, it was unclear why Pruitt would have signed a rule before the review was completed," Reilly writes. EPA spokeswoman Liz Bowman suggested to E&E the fault lay with OMB. "Interagency review concluded before this proposal was signed," she said in a statement. Reilly later tweeted: "@OMBPress has now changed the date on the http://Reginfo.gov site to show that the review of this proposed #EPA rule was completed on April 23, not April 25. A #OMB spokesman won't discuss the reason for the change on the record."

TESTER TESTS TRUMP: The president is coming after Democratic Sen. <u>Jon Tester</u>, in what could be a problematic move for the Montanan as he fights to win reelection. Trump was enraged over Tester's work documenting allegations of malfeasance by Rear Adm. Ronny Jackson, provoking a series of inquiries that ultimately led to Jackson withdrawing his nomination to be VA secretary. POLITICO's Burgess Everett reports Tester is now at a turning point in his relationship with Trump, who railed against him on Thursday morning. "The incident and its fallout underscores how the burly, plain-spoken Tester hasn't exactly tacked to the center in an election year," Burgess writes. "Perhaps he feels emboldened after dodging a big-name opponent; after Ryan Zinke was drafted into the Trump administration and the state attorney general passed on the race, Tester's opposition is made up of lesser known opponents that will compete in a June primary." Read more.

SENATE MAKES POMPEO OFFICIAL: The Senate narrowly <u>confirmed</u> Mike Pompeo on Thursday, shifting him from CIA director to secretary of State. Pompeo was confirmed 57-42, ultimately winning support from Democrats <u>Heidi Heitkamp</u>, Manchin, <u>Joe Donnelly</u>, <u>Bill Nelson</u>, <u>Claire McCaskill</u> and <u>Doug Jones</u>. Supreme Court Justice Samuel Alito swore in Pompeo shortly after the vote Thursday, formally installing Pompeo, who has previously <u>doubted</u> climate science - a point greens jumped onto ahead of the vote. "There's some who think we're warming, there's some who think we're cooling," Pompeo <u>said in 2013</u>.

"Democrats that jumped ship to support this dangerous climate denier must and will be held accountable by the people," Food & Water Watch Executive Director Wenonah Hauter said in a statement. But others cheered the move: Competitive Enterprise Institute director of the Center for Energy and Environment, Myron Ebell, said in a statement he was "pleased." Pompeo, he said, "understands the importance of affordable, reliable energy to Americans' health and ability to provide for our families." Pompeo will be a "forceful advocate" of Trump's decision to remove the U.S. from the Paris climate agreement, Ebell said.

MANCHIN TRIES AGAIN: Manchin sent another letter this week urging Perry and Defense Secretary Jim Mattis to examine use of the Defense Production Act to protect coal-fired power plants. "The ability to produce reliable electricity and to recover from disruptions to our grid are critical to ensuring our nation's security against the various threats facing our nation today - whether those threats be extreme weather events or adversarial foreign actors," he writes. Earlier this month, Manchin similarly wrote to the president on the issue, although, as Pro's Eric Wolff reported, it faces an uphill battle on many fronts. Read the letter.

WATCH: House Speaker <u>Paul Ryan</u> was asked about climate change Thursday - by the 7-year-old daughter of E&E News' <u>Scott Waldman</u>. See it <u>here</u>.

PRUITT FOCUS OF NEW AD: The opposition research firm American Bridge is scheduled to air an ad this morning on "Fox and Friends" focusing on Pruitt's swirling scandals and his previous criticism of the president. Watch it here.

DEMOCRATS COME OUT IN FULL FORCE FOR CPP: Ahead of the comment deadline, eight Democratic senators signed onto a letter led by EPW ranking member <u>Tom Carper</u> opposing EPA's proposal to repeal the Clean Power Plan. The senators write that the law is instrumental in fighting climate change and say

that rescinding it "ignores scientific evidence on the risks of climate change and puts generations of Americans at grave health and economic risk."

- A coalition of 16 attorneys general and municipalities submitted a supplemental comment letter to EPA with evidence of what they say are due process violations and ethical issues due to Pruitt's involvement. The group previously wrote to EPA, claiming Pruitt had not had an open mind on CPP. "Since then, the evidence continues to grow that Administrator Pruitt should have been disqualified from participating in this rulemaking before it began," they write. "His involvement has irreparably tainted the current administrative process, and as a result, EPA must withdraw the proposed CPP repeal." Read it here.

MAIL CALL! WE NEED AN EXTENSION: Sens. <u>Ron Wyden</u> and <u>Jeff Merkley</u> and Reps. <u>Peter DeFazio</u> and <u>Jared Huffman</u> wrote to Interior Secretary Ryan Zinke and Agriculture Secretary Sonny Perdue on Thursday, urging an extension on interim mineral withdrawal protections for the Chetco River in southwest Oregon. Read it <u>here</u>.

- Sixteen senators, led by Democratic Sen. <u>Tom Udall</u>, sent <u>this letter</u> to Zinke asking him to pause any plans for the management of Bears Ears and Grand Staircase-Escalante national monuments until legal challenges related to the president are resolved.
- The House Biofuel Caucus sent a letter to Pruitt objecting to Renewable Fuel Standard waivers issued by EPA, demanding Pruitt "immediately cease all waiver activity" and provide lawmakers a "full list" with further details. Read it here.

CSB TO INVESTIGATE HUSKY EXPLOSION: The Chemical Safety Board said Thursday it is sending a four-person investigative team to Superior, Wis., to the scene of the Husky Energy explosion that injured several Thursday morning. The refinery was shutting down in preparation for a five-week turnaround, CSB said, when the explosion occurred. The Superior Police Department <u>evacuated</u> areas within miles of the explosion, including a small hospital nearby as a precaution. As of the latest count, at least 11 people were injured in the explosion, the Associated Press <u>reports</u>.

CHA-CHING: Following a House Natural Resources hearing Thursday on offshore energy revenue sharing for Gulf-producing states, Interior announced it would disburse nearly \$188 million to four states: Alabama, Louisiana, Mississippi and Texas, as well as their coastal political subdivisions. It is the first disbursement of funds under Phase II of the Gulf of Mexico Energy Security Act of 2006, which comes from oil and gas leasing revenues on the Outer Continental Shelf, according to DOI. See the *massive* check here.

QUICK HITS

- As climate change zaps their snow, winter sports fans seek to change Washington, McClatchy.
- Skinny and sweet: U.S. refiner earnings depend on the oil diet, Reuters.
- India nears power success, but millions are still in the dark, Bloomberg.
- Coal producer Peabody Energy doubles down on share buyback program, <u>S&P Global</u>.
- How Oman's rocks could help save the planet, The New York Times.

THAT'S ALL FOR ME!

T_{-}		aralina ar
10	view	online:

https://www.politico.com/newsletters/morning-energy/2018/04/27/did-pruitt-skate-by-187652

To change your alert settings, please go to https://secure.politico.com/settings

POLITICO

This email was sent to feeley.robert@epa.gov by: POLITICO, LLC 1000 Wilson Blvd. Arlington, VA, 22209, USA

Please click here and follow the steps to unsubscribe.